



October 05, 2021

The Honorable Board of Commissioners  
Los Angeles County  
Development Authority  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Commissioners:

**RESOLUTION AUTHORIZING ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR  
AFFORDABLE HOUSING DEVELOPMENT IN THE CITY OF PASADENA  
(DISTRICT 5) (3 VOTES)**

**SUBJECT**

This letter recommends that your Board adopt a Resolution and authorize actions required to issue Multifamily Housing Revenue Bonds to finance the development and construction of Pasadena Hope Center Apartments, an affordable 66-unit multifamily housing development in the City of Pasadena.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Adopt and instruct the Chair to sign the attached Resolution authorizing the issuance of tax-exempt Multifamily Housing Revenue Bonds by the Los Angeles County Development Authority (LACDA), in an aggregate principal amount not to exceed \$18,700,000 (Bonds), to assist Salvation Army Pasadena Hope Center, L.P., or an approved affiliate or assign thereof (Borrower), to finance the development and construction of Pasadena Hope Center Apartments (Project), a new construction affordable housing project that will be developed by The Salvation Army and located in the City of Pasadena.
2. Authorize the Executive Director, or his designee, to negotiate, execute, and, if necessary, amend or terminate all related documents and take all necessary actions for the issuance, sale, and delivery of the Bonds.
3. Find that adoption of this Resolution is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential of causing a significant effect on the environment.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The Project is a new construction affordable housing project that will be developed by The Salvation Army on their property located at 1000 E. Walnut Street, in the City of Pasadena. The existing two-story office building will be demolished to allow for the new construction of the Project.

The Project includes the construction of a modern, four story, approximately 47,200 square-foot building that will provide 65 studio apartments of permanent supportive housing and one two-bedroom manager's apartment. All residents will be single adults who meet the U.S. Department of Housing and Urban Development's homeless definition.

The recommended action is to authorize the issuance, sale, and delivery of the Bonds, in a total aggregate amount not to exceed \$18,700,000, to finance the construction and development of the Project. This action will also allow the Bonds to qualify for the exemption under Section 103 of the Internal Revenue Code of 1986.

### **FISCAL IMPACT/FINANCING**

There is no impact on the County General Fund. The Borrower will repay the Bonds solely through rent revenues and will pay all fees and related costs.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On January 20, 2021, the LACDA conducted a noticed telephonic hearing at its office located at 700 West Main Street in Alhambra regarding the issuance of multifamily bonds to finance the Project. No comments were received at the public hearing concerning the issuance of the tax-exempt Bonds or the nature and location of the Project.

On January 26, 2021, the Los Angeles County Board of Supervisors approved a plan of financing and authorized issuance of the Bonds by the LACDA. The City of Pasadena and the County have executed an interlocal cooperation agreement permitting the LACDA to issue the Bonds within the City of Pasadena.

The attached Resolution was prepared by Hawkins Delafield and Wood, LACDA Bond Counsel, and approved as to form by County Counsel. Pursuant to California Government Code section 5852.1, required public disclosures related to this Bond issuance are also attached. All other related documents, in substantially final form, are on file with the Executive Office of the Board of Supervisors. They will be approved as to form by County Counsel prior to execution by the authorized parties.

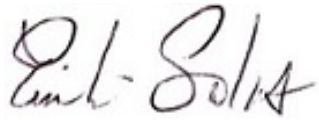
### **ENVIRONMENTAL DOCUMENTATION**

The proposed action is not a project pursuant to the CEQA because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA guidelines. The proposed action is an administrative activity of government, which will not result in direct or indirect physical change to the environment.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed action is a necessary step to provide financing for the Project, which will increase the supply of permanent supportive housing in the County.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Emilio Salas". The signature is written in a cursive, flowing style.

Emilio Salas

Executive Director

ES:LK:DR

Enclosures

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF  
TAX-EXEMPT MULTIFAMILY HOUSING MORTGAGE REVENUE BONDS  
IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$18,700,000  
FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR  
A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS THE  
SALVATION ARMY PASADENA HOPE CENTER APARTMENTS,  
DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING  
THERE TO, AND APPROVING AND AUTHORIZING THE EXECUTION OF  
RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Los Angeles County Development Authority (the “LACDA”) is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the “Act”) to issue and sell revenue bonds or notes for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board of Commissioners (this “Board”) for consideration at this meeting the documentation required for the issuance by the LACDA of its Multifamily Housing Mortgage Revenue Bonds (The Salvation Army Pasadena Hope Center Apartments), 2021 Series G (or such other name or series designation as may be designated by officers or agents of the LACDA), in one or more series or subseries, each with an appropriate series designation (the “Bonds”); and

WHEREAS, the proceeds of the Bonds will be used to finance the acquisition, development and construction of a multifamily rental housing development consisting of 66 total units located at 1000 East Walnut Street, Pasadena, California 91106, in the County of Los Angeles (the “Project”), to be known as The Salvation Army Pasadena Hope Center Apartments and to be owned by The Salvation Army Pasadena Hope Center Apartments, L.P., a California limited partnership, or an affiliate, assign or designee thereof (the “Borrower”); and

WHEREAS, the LACDA proposes to provide for the issuance of the Bonds pursuant to a Trust Indenture (the “Indenture”), by and between the LACDA and U.S. Bank National Association, as trustee thereunder; and

WHEREAS, the Bonds will be payable from the trust estate, as described in the Indenture, including amounts to be paid by the Borrower to the LACDA pursuant to a Loan Agreement (the “Loan Agreement”), by and between the LACDA and the Borrower; and

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) proposes to purchase the Bonds pursuant to a Bond Purchase Agreement (the “Bond Purchase Agreement”); and

WHEREAS, a form of the Preliminary Official Statement (the “Preliminary Official Statement”) to be distributed in connection with the public offering of the Bonds has been prepared; and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, this Board has received the following information as a good faith estimate of the cost of the Project financing and the LACDA has disclosed such information in accordance with Section 5852.1 of the California Government Code: (a) the true interest cost of the Bond (as hereafter defined); (b) the finance charge of the Bond, including all third party expenses; (c) the amount of proceeds received by the LACDA for the sale of the Bond less the finance charge of the Bond and any reserves or capitalized interest paid or funded with proceeds of the Bond; and (d) the total payment amount; and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Los Angeles County Development Authority, as follows:

1. It is hereby found and determined that it is necessary and desirable for the LACDA to provide financing for the Project through the issuance, sale and delivery of the Bond in order to assist in the acquisition, construction and development of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the LACDA hereby determines to issue its Bonds, in one or more series or subseries, each with an appropriate series designation, in an aggregate principal amount not to exceed \$18,700,000. The Bond shall bear interest at the interest rate or rates set forth in or determined in accordance with a Indenture, by and between the LACDA and U.S. Bank National Association, as trustee thereunder, maturing as provided in the Indenture, but not later than 35 years from the date of issuance. The Bond shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Bond is prepared. The Bond shall be limited obligation of the LACDA, payable solely from the income, revenues, proceeds and other amounts pledged therefor under the Indenture. The Bond shall be executed, either manually or by facsimile, by the Chair of the Board of Commissioners or the Executive Director of the LACDA.

3. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Executive Director of the LACDA and his designees (each an "Authorized Officer") is each hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the LACDA and Bond Counsel to the LACDA (provided that such additions or changes shall not authorize an aggregate principal amount of Bond in excess of the amount stated above or result in an initial interest rate on the Bond in excess of 12%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The proposed form of the Bond, as set forth in the Indenture, is hereby approved, and the Chair of this Board, the Executive Director of the LACDA and his designees is each hereby authorized and directed to execute, by manual

or facsimile signatures of such officers, and the Trustee is hereby authorized and directed to authenticate, by manual signature of an authorized officer of the Trustee, the Bond in substantially such form, and the LACDA and the Trustee are each hereby authorized and directed to deliver the Bond to the Underwriter in accordance with the Indenture and the Bond Purchase Agreement. The date, maturity date, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the Bond shall be as provided in the Indenture as finally executed.

4. The proposed form of Loan Agreement (the “Loan Agreement”), in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

5. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the “Regulatory Agreement”), in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Regulatory Agreement, with such additions or, changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

6. The proposed form of Bond Purchase Agreement, in the form presented to this meeting, is hereby approved. Each of the Authorized Officers is hereby authorized and directed, for and in the name and on behalf of the LACDA, to execute and deliver the Bond Purchase Agreement, with such additions or, changes in said document as such officer may recommend or approve upon consultation with counsel to the LACDA and Bond Counsel to the LACDA, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of Bond Purchase Agreement.

7. The proposed form of the Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions therein as may be approved by the Executive Director of the LACDA and his designees, is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby authorized to certify on behalf of the Authority that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

8. The preparation and delivery of an Official Statement for the Bonds (the “Official Statement”), and its use in connection with the offering and sale of the Bonds, is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement with such changes, insertions and omissions as may

be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof.

9. This Board hereby appoints the Executive Director of the LACDA or his/her designee as administrator/manager with respect to the Project and other matters arising in connection with the Bond (the "Administrator").

10. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bond, including without limitation any of the foregoing which may be necessary or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bond, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

11. All actions heretofore taken by the officers and agents of the LACDA with respect to the sale, issuance and delivery of the Bond are hereby approved, confirmed and ratified, and the proper officers of the LACDA are hereby authorized and directed, for and in the name and on behalf of the LACDA to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bond and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the LACDA.

12. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, this \_\_\_\_\_ day of October, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: \_\_\_\_\_  
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA  
Executive Officer – Clerk  
of the Board of Commissioners

By: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:

RODRIGO A. CASTRO-SILVA  
County Counsel

By: Behnaz Tashakorian  
Senior Deputy